



EXPEDITED SPCC SETTLEMENT AGREEMENT
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7, 901 N. 5th ST., KANSAS CITY, KANSAS 66101

04 MAR 18 AM 8:22

Respondent: Gore Oil Company
Owner/Operator

ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

Facility Name: Gore Oil Co. - Meeker Canal Unit

Location: Sec.6, T02N, R32W, Hitchcock Co., NE

On July 30, 2002, an authorized representative of the United States Environmental Protection Agency (EPA) conducted an inspection to determine compliance with the Oil Pollution Prevention (SPCC) regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act (33 U.S.C. § 1321(j)) (the Act), and found that Respondent had violated regulations implementing Section 311(j) of the Act by failing to comply with the regulations as noted on the attached Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form (Form), which is hereby incorporated by reference.

DOCKET NO: CWA-07-2003-0256

This Expedited Settlement resolves Respondent's liability for Federal civil penalties for the violations of the SPCC regulations described in the Form. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the SPCC regulations or of any other federal statute or regulations. By its first signature, EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

This proceeding and the Expedited Settlement are under the authority vested in the Administrator of EPA by Section 311(b) (6) (B) (i) of the Act, 33 U.S.C. § 1321(b) (6) (B) (i), as amended by the Oil Pollution Act of 1990, and 40 CFR §§ 22.13(b) and 22.18(b), published at 64 Fed. Reg. 40137 on July 23, 1999. The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of \$ 550.00. This settlement is subject to the following terms and conditions:

Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Regional Judicial Officer's signature.

EPA finds that Respondent is subject to the SPCC regulations, which are published at 40 CFR Part 112, and has violated the regulations as further described in the Form. Respondent admits that he/she is subject to 40 CFR Part 112 and that EPA has jurisdiction over Respondent and Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections it may have to EPA's jurisdiction. Respondent consents to the assessment of the penalty stated above.

APPROVED BY EPA:

[Signature] Date: 3/9/2004
Chief, Emergency Planning & Response Branch,
Superfund Division

Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent has sent a certified check in the amount of \$ 550.00 payable to the "Oil Spill Liability Trust Fund," to:

APPROVED BY RESPONDENT:

Name (print): LARRY M JACK

Title (print): Operations Manager

Signature: [Signature]

"Regional Hearing Clerk, Office of Regional Counsel,
U.S. Environmental Protection Agency, 901 N. 5th
Street, Kansas City, Kansas 66101".

Respondent has noted on the penalty payment check the docket number CWA-07-2003-0256 of this case.

(Do Not Make Check Out to Regional Hearing Clerk)

IT IS SO ORDERED:

[Signature] Date Mar. 18, 2004
Robert L. Patrick
Regional Judicial Officer

INSTRUCTIONS ON REVERSE

INSTRUCTIONS

The United States Environmental Protection Agency ("EPA") has authority under Section 311 of the Clean Water Act to pursue civil penalties for violations of the Spill Prevention, Control and Countermeasures ("SPCC") regulations. However, EPA encourages the expedited settlement of easily verifiable violations of SPCC requirements, such as the violations cited in this Expedited Settlement Agreement.

You may resolve the cited violations quickly by signing and returning the Expedited Settlement Agreement (Agreement) and paying the penalty amount within 30 days of your receipt of the Agreement. Failure to return the Agreement within the approved time does not relieve you of the responsibility to comply fully with the regulations, including correcting the violations that have been specifically identified by the inspector. If you decide not to sign and return the Agreement and not pay the penalty, EPA can pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$11,000 per violation up to a maximum penalty of \$27,500.

If Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.

You are required in the Agreement to certify that you have corrected the violations and paid the penalty amount. The payment for the penalty amount must be in the form of a certified check payable to the "Oil Spill Liability Trust Fund," with the Docket Number of the Expedited Settlement Agreement on the check. The Docket Number is located at the top of the right column of the Agreement.

The Agreement and Payment of the penalty amount shall be sent via certified mail to:

Regional Hearing Clerk
Office of Regional Counsel
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

By the terms of the Agreement, you waive your opportunity for a hearing pursuant to Section 311 of the Clean Water Act. EPA will treat any response to the proposed Agreement, other than acceptance of the settlement offer, as an indication that you are not interested in pursuing this expedited settlement procedure.

If you have any questions, you may contact the EPA Region 7 SPCC Compliance Coordinator at (913) 551-7251.

(Note: Do not use this form if there is no secondary containment)

Respondent Name
Gore Oil Company

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July 30, 2002

[illegible]

Marc Callaghan

Robert W. Jackson

Bob Webber Phone Number: (913)551-7251
 Alan Hancock Phone Number: (913)551-7647

67201-2757

Bob Webber Phone Number: (913)551-7251
Alan Hancock Phone Number: (913)551-7647

Lester Belts, Production Supervisor

OIL PRODUCTION FACILITIES (ONSHORE)

(When the SPCC Plan review penalty exceeds \$1,000.00 enter only the maximum allowable of \$1,000.00 dollars.)

- Revised 1/20/00

Installation of appropriate containment/diversionary structures is impractical

- ☐ No contingency plan 100.00
- ☐ No written commitment of manpower, equipment, and materials 100.00

Written Procedures and Inspection Records 112.7(e)(8)

- ☐ Inspections required by 40 CFR Part 112 are not in accordance with written procedures developed for the facility 50.00
- ☐ Written procedures and a record of inspections are not signed by facility supervisor 50.00
- ☐ Written procedures and a record of inspections are not made part of the plan 50.00
- X Written procedures and a record of inspections are not maintained for three years 50.00

Personnel Training and Spill Prevention Procedures 112.7(e)(10)

- ☐ No training on the operation and maintenance of equipment to prevent discharges 50.00
- ☐ No training on the applicable laws, rules, and regulations 50.00
- ☐ No designated person responsible for spill prevention 50.00
- ☐ Spill prevention briefings are not scheduled and conducted periodically 50.00
- X Plan has inadequate or no discussion of personnel training and spill prevention procedures 50.00

Oil Production Facilities, Onshore 112.7(e)(5)

- ☐ Accumulated oil in the secondary containment system(s) is not picked up and returned to storage or properly disposed of in accordance with the regulations 200.00
- ☐ Field drainage ditches, road ditches, and oil traps, sumps, or skimmers are not regularly inspected for oil, and/or oil is not removed 200.00

Drainage from diked areas:

- ☐ Drains for the secondary containment systems at the tank battery(ies) and central treatment stations are not closed and sealed at all times except when rainwater is being drained 300.00
- ☐ Prior to drainage, rainwater runoff is not inspected to ensure compliance with water quality standards and could cause a harmful discharge 300.00
- ☐ Bypass valve is not opened and resealed under responsible supervision 100.00
- ☐ Adequate records of drainage events are not maintained 50.00

For Aboveground Storage Tanks:

- ☐ Tank material and construction are not compatible with the oil stored and the conditions of storage 300.00
- ☐ Secondary containment appears to be grossly inadequate for tanks and central treating

installations	500.00
<input type="checkbox"/> Materials of construction are not sufficiently impervious	250.00
<input type="checkbox"/> Excessive vegetation which affects the integrity of the containment system	100.00
<input type="checkbox"/> Walls of containment system are slightly eroded or have low areas	200.00
<input type="checkbox"/> Drainage from non-diked areas does not flow to a catchment basin or holding pond	500.00
X Visual tank inspections are not conducted periodically by appropriate personnel and/or inspections do not include tank foundation and supports	300.00
<input type="checkbox"/> Tank battery installations are not "fail-safe" engineered because <u>none</u> of the following are present	300.00
(1) Adequate tank capacity to prevent tank overflow; (2) Overflow equalizing lines between the tanks; (3) Vacuum protection to prevent tank collapse; (4) High level alarms to generate and transmit an alarm signal where facilities are part of a computer control system.	

Facility Transfer Operations

<input type="checkbox"/> Above ground valves and pipelines are not examined periodically on a scheduled basis for general condition (includes items, such as: flange joints, valve glands and bodies, drip pans, pipeline supports, bleeder and gauge valves, polish rods/stuffing box.)	300.00
<input type="checkbox"/> Brine disposal facilities are not examined often	300.00
<input type="checkbox"/> Inadequate or no flowline maintenance program (includes: examination, corrosion protection and, flowline replacement)	300.00
<input type="checkbox"/> Plan has inadequate or no discussion of oil production facilities	50.00

TOTAL \$ 550.00

Additional violations which must be corrected:

1. The SPCC Plan shall be a carefully thought-out plan, prepared in accordance with good engineering practices, and which has the full approval of management at a level with authority commit the necessary resources.
2. Containers used for standby storage, temporary storage, or containers that are not permanently closed, are subject to the SPCC requirements such as secondary containment. For oil storage containers (with a shell capacity of 55 gallons or greater) to no longer be subject to the SPCC requirements they must be "permanently closed," as defined at 40CFR112.2:
 - All liquid and sludge has been removed from each container and connecting line; and
 - All connecting lines and piping have been disconnected from the container and blanked off, all valves (except for ventilation valves) have been closed and locked, and conspicuous signs have been posted on each container stating that it is a permanently closed container and noting the date of closure.

IN THE MATTER OF Gore Oil Company, Respondent
Docket No. CWA-07-2003-0256

CERTIFICATE OF SERVICE

I certify that the foregoing Expedited SPCC Settlement Agreement was sent this day in the following manner to the addressees:

Copy hand delivered to
Attorney for Complainant:

Kristina Kemp
Assistant Regional Counsel
Region VII
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

Gore Oil Company
202 S. St Francis
P.O. Box 2757
Wichita, Kansas 67201-2757

Copy by First Class Mail to:

US. Coast Guard
Finance Center (OGR)
1430A Kristina Way
Chesapeake, VA 23326

Dated: 3/18/04



Kathy Robinson
Regional Hearing Clerk